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SUBJECT: NZ GOVT BRIEF DIPLOMATS AHEAD OF PIF MEETING

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11. (SBU) Summary. Embassy Officers attended a July 27 briefing to diplomats by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) on the August 5-6 Pacific Island Forum Leaders' Meeting in Cairns, Australia. It was announced at the briefing that Prime Minister John Key will lead the New Zealand delegation. MFAT also talked about the planned schedule of events and the issues that it anticipates will be discussed. The dominant issue is expected to be the global economic crisis and its impact on PIF members. MFAT announced that a study jointly-commissioned by the New Zealand and Australian governments on the impact of this crisis on PIF member economies will soon be published. Though the situation in Fiji remains of clear concern to NZ, it appears that it will not featured as prominently at the Cairns meeting as it has been in recent PIF gatherings. End Summary.

## Briefing on Upcoming PIF Leaders Meeting

12. (SBU) On July 27, Political Officer and Political Assistant joined other members of Wellington's diplomatic corps at an MFAT briefing on the August 5-6 Pacific Island Forum Leaders' meeting in Cairns, Australia. The purpose of the briefing was to inform resident diplomatic missions as to the composition of the official NZ delegation, the planned sequence of events and the anticipated agenda items up for discussion.

High-Powered NZ Delegation to Cairns Meeting

¶3. (SBU) The briefing was led by John Adank, Director of MFAT's Pacific Division, who began by announcing that Prime Minister John Key will lead the NZ delegation and will be accompanied by his Foreign Minister, Murray McCully. Senior MFAT officials on the delegation will be Deputy Secretary Chris Seed, Craig Hawke, Director of the New Zealand Agency for International Development's (NZAID) Pacific Group, and Adank himself.

Schedule of Events

14. (SBU) Adank ran through the schedule of meeting-related events starting with the August 3 conference in Brisbane on the global economic crisis hosted by the Lowy Institute. Adank noted the Foreign Minister McCully will attend this conference. On August 4, a meeting will be held for the PIF's Small Island States Group before the plenary session the following day. Adank emphasized the importance of the August 6 PIF Leaders' Retreat where the leaders will retire behind closed-doors to discuss issues without their officials present. The PIF Leaders' meeting will culminate with a

signed joint-communique issued on August 6. Adank also stressed the importance of the Post-Forum Dialogue Partners' Meeting, also in Cairns, in establishing an agreed roadmap based in the meeting's outcomes.

## Economic Crisis Expected to Lead Discussions

- 15. (SBU) Adank identified several themes that GNZ expect to be addressed at the Cairns meeting. The challenge to PIF members posed by the global economic crisis was identified as the most critical issue to be addressed at the meeting. Adank announced that a joint-Australia and New Zealand study on the crisis' impact on PIF member countries will be ready for release during the week of August 13. The study was commissioned by Prime Ministers John Key and Kevin Rudd in order to help inform discussion at the Cairns meeting on how best to deal with the crisis.
- 16. (SBU) Trade was mentioned as another likely key topic for discussion, particularly the status of regional trade integration. Another anticipated topic for discussion at the meeting itself, and at the Post-Forum Dialogue, was finding greater effectiveness in donor-partner coordination to help meet the challenges meted out by the global economic crisis. Discussions around the Regional Assistance Mission to Solomon Islands (RAMSI) and climate change, respectively, are also anticipated by Adank to be discussed at the Cairns retreat.

Fiji Problem Takes a Step Back?

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17. (SBU) It does not appear that Fiji will figure as prominently in Cairns as it has in recent PIF meetings. Nevertheless, Adank did state that that Fiji remains "a matter of significant concern" and will likely come up for discussion between PIF leaders. He believed that Fiji has regressed in many areas since the 2008 Port Moresby PIF meeting and cited as an example the April 2009 abrogation of Fiji's constitution by the nation's Head of State, Ratu Josefa Iloilo. Adank was asked by a foreign diplomat how the PIF may respond to Tongan Prime Minister Sevele's May 2009 suggestion that Fiji be given more time to correct its internal governance problems (see reftel). Adank reminded the audience of diplomats that the PIF cannot impose a solution: "it's for Fiji's own internal stakeholders to allow a solution to be develop", he stated. Adank did note that there was "considerable frustration" from PIF leaders that the Fiji has not positively progressed as anticipated.

Australian Diplomat - Rudd's High Expectations

- 18. (SBU) The briefing concluded with a comment by Sonja Weinberg from the Australian High Commission who stated that her Government looks forward to a number of "concrete outcomes" from the meeting. Weinberg underscored that Australian PM Rudd's desire for a productive Leaders' meeting is reflected in the fact that his Government's delegation at the plenary and the Post-Form Dialogue will be of the highest-level possible, as will New Zealand's.
- 19. (SBU) Comment: It was clear that GNZ wanted to stress the importance it places on the upcoming PIF Leaders' Meeting in Cairns. Adank stated three times during the briefing that NZ's PM and Foreign Minister would attend, a clear signal to other member nations that they should do likewise. The fact that Fiji was brought up as the third agenda item signals a potential shift in PIF priorities. End Comment. SEMILOTA